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DEPT OF ENERGY FOR TCUTLER, CGILLESPIE, MGINZBERG  
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SUBJECT: UNDER SECRETARY DOBRIANSKY ENGAGES INDIA'S SPECIAL ENVOY  
FOR CLIMATE CHANGE SHYAM SARAN

¶1. SUMMARY: In a bilateral meeting on the margins of the Global Issues Forum held April 24, 2008 in New Delhi, Under Secretary for Democracy and Global Affairs Paula Dobriansky led a delegation consisting of OES Assistant Secretary Claudia McMurray and Dr. Robert Dixon, NSC-CEQ Senior Coordinator for Energy Security & Climate Change, in a meeting with Indian Special Envoy for Climate Change Shyam Saran. The delegation engaged Saran on the need for a strong Leaders Statement for the Major Economies Leaders Meeting scheduled for July 9, as well as on the potential for reducing tariff and non-tariff barriers to clean technology goods and services. In addition, the delegation explained U.S. views on long and mid-term global goals on greenhouse gas (GHG) emissions and the need for all major economies to enter into binding commitments to mitigate the impact of climate change. The delegation also discussed clean technology financing and the U.S. perspective on the sectoral approach to reducing GHG emissions. END SUMMARY.

¶2. U/S Dobriansky opened the discussion by noting the significance of the Bali Action Plan and its emphasis on taking practical steps to address both mitigation and adaptation to combat climate change. She noted the world needed to embrace an integrated approach to adaptation in order to help countries find sustainable solutions that went beyond short-term fixes. The Under Secretary also noted the broad scope of ongoing cooperation between the United States and India on climate issues citing the Methane to Markets Partnership, the Carbon Sequestration Leadership Forum, and the Asia Pacific Partnership on Clean Development and Climate (APP). She expressed the U.S. desire to continue working closely with India as the world moves towards a comprehensive post-Kyoto framework to address climate change.

¶3. Special Envoy Saran assured the delegation that India was "extremely positive" about working together with the United States based on the shared history of cooperation and also due to his belief that technological breakthroughs necessary to combat climate change are most likely to come from the U.S. He noted India's strong commitment to science and technology will also allow India to bring something to the table and raised India's forthcoming National Action Plan on climate change, which he stated would include major efforts on solar power, solid waste management, and glacier melt research, as a basis for increased cooperation. He suggested India and the U.S. engage in a more regular dialog on climate change.

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MAJOR ECONOMIES PROCESS AND LEADERS STATEMENT  
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14. Turing toward the Major Economies (MEM) process, U/S Dobriansky assured Saran the MEM is designed to feed into the broader UNFCCC process. Saran stated the MEM has been useful in advancing the debate on the UNFCCC but cautioned that India does not consider itself a major emitter, finds the characterization "uncomfortable", and does not want to be dragged into the category of major emitters. He elaborated by stating India joined the MEM process due to concern over sustainable development and climate change, not because India is a major emitter. He stated any characterization of India as such creates constraints on the country's ability to participate in the process. He went on to note President Bush had recently made comments regarding certain nations being "freeloaders" on emissions and that India was not a freeloader. U/S Dobriansky made it clear the U.S. focus with the MEM was on major economies, not major emitters.

15. Saran stated he would like to see a greater focus on using the MEM as a consultative forum for addressing technology and financing issues. Dr. Dixon noted the MEM provides an excellent opportunity to address and reduce tariff and non-tariff barriers to trade in clean technology. He stated the United States buys more clean energy technology than it sells and sees the removal of trade barriers in this area as a win-win situation for all countries. Saran stated there is a reserve about talking about trade in this context and that India may not be ready to discuss issues such as tariffs and the free entry of goods within the MEM. Dr. Dixon responded by stating the U.S. was not trying to develop a comprehensive list of goods but was looking forward to getting the process started using a list of goods and services developed by the World Bank. He also noted President Bush would want to talk about clean energy trade at the upcoming MEM Leaders Meeting on July 9.

16. U/S Dobriansky stated the U.S. would like to see a strong and substantive Leaders Statement come out of the July 9 Leaders Meeting. Saran stated he was not sure India was ready for a strong

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Leaders Statement as there were not common positions on many issues and would prefer to see a general political statement of consensus. U/S Dobriansky noted the nations participating in the MEM have come a long way on many issues and while there may not be agreement on everything, she hoped to see the Leaders Statement reflect more than a mere statement of consensus. Dr. Dixon stated the U.S. was looking forward to working with India during the next two Major Economies Meetings in May and June in order to work out the text of a strong Leaders Statement. He noted that "trade sanctions" were off the table if India accepts binding commitments and that the U.S. seeks concrete outcomes. Saran said he understood and that although the Leaders Statement may not be as ambitious as the U.S. desires, it could still be significant. The latest draft (post Paris meeting) of a proposed Leader's Statement was passed.

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TOWARD A POST-KYOTO FRAMEWORK  
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17. U/S Dobriansky raised the issue of long and mid-term global goals under a post-Kyoto framework stating such goals should be significant and something each nation can aspire to but should not place a stranglehold on our economies or be a basis for burden sharing. She stated each country should develop its own mid-term global goal according to its needs and economy. She went on to say that clear metrics were of particular importance in this area in order to ensure reductions in GHG emissions could be measurable, reportable, and verifiable. She stated the United States was willing to undertake binding commitments in order to reach its goals as long as the other major economies were willing to do so as well. It is important to note, she said, that this statement did not mean commitments should be the same among all countries as the U.S. respected the concept of common but differentiated responsibilities but that all countries had a contribution to make and that while India should not have to make the same commitment as the U.S. or China, neither should it be considered in the same category as a

small island nation. She stated a new post-Kyoto framework had to be realistic and take into consideration the world as it is now, not where it was when the original UN Framework Convention on Climate Change (UNFCCC) was negotiated. She went on to note the U.S. does not want to single out one country over another but rather work together to mitigate GHGs in a manner that is environmentally effective and economically sound where the overall goal is protecting the environment while growing our economies.

¶8. Saran stated India has already made a commitment on GHG emissions and has also adopted a strategy of development that will not result in emissions on the scale of developed countries despite the fact nothing in the UNFCCC requires India to do so. He noted increases in India's energy consumption over the last few years have been only 3.8 to 3.9% while GDP has grown at a rate of 8 to 9% and that Prime Minister Singh has made a solemn commitment that India would never emit more on a per capita basis than the developed countries. Elaborating on the PM's commitment, Saran noted it would serve the interests of the U.S. as well because the more ambitious developed countries were in reducing their emissions, the lower India's emissions would have to be.

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FINANCING AND THE SECTORAL APPROACH  
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¶9. Speaking of the President's commitment of 2 billion dollars to a Clean Technology Fund (CTF), U/S Dobriansky stated that having several different financing avenues available to assist with climate change mitigation and adaptation would be more beneficial than detrimental as different funds can address different issues and provide an integrated approach to sustainable solutions. Saran responded by saying India preferred climate change financing mechanisms to be under the auspices of the UNFCCC due to concerns over potential restrictions stemming from operational funding that is donor driven. Saran noted India's preference was for funds such as the Adaptation Fund and the Special Climate Change Fund (operationalized by the Global Environment Fund (GEF)). U/S Dobriansky stated she had heard complaints regarding the GEF and the Adaptation Fund which had focused in the past on short-term solutions that were not sustainable. Saran replied that although India preferred UNFCCC authorized funds, he was certainly interested in learning more about the CTF.

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¶10. Addressing the sectoral approach to reducing GHG emissions, U/S Dobriansky drew a distinction between the U.S. and Japanese view stating the Japanese had their own methodology which was different from what the U.S. considered should be a bottom-up approach. She assured Saran the United States had no interest in telling other countries how to mitigate their emissions. Saran stated India fully realized the utility of a cooperative sectoral approach that helps all countries learn and benefit from one another. However, he worried the sectoral approach could lead to the creation of globally binding sectoral norms that could be used to justify tariffs and other protectionist measures against countries whose industrial sectors did not meet the norms. He raised issues regarding who would decide on the norms and who would pay for them stating India did not have the ability to pay. He cautioned that the adoption of global sectoral norms was a dangerous path to follow. Dr. Dixon responded stating the U.S. was not looking to create or enforce mandatory norms but rather to develop and deploy the best technologies possible. He noted the sectoral approach lent itself well to the dissemination of best practices as shown by our joint experience with the APP. Saran stated that the U.S. strongly supported the Japanese approach during the Bangkok climate change talks which ended in April 2008 and appeared to be backing off of that position now. U/S Dobriansky and Dr. Dixon both informed Saran that this was not the case but rather a misconception caused by the press who did not understand the difference in the Japanese and American positions.

¶11. This cable has been cleared by the delegation.

